

Operations

STARS Number & Budget Unit: 170 EDPO

Bill Number & Chapter: H463 (Ch. 372), H467 (Ch. 373)

Provide state and federal funding to support the operations of Idaho's 114 local school districts, grades K-12.

DIVISION SUMMARY:	FY 2002 Total Appr	FY 2002 Actual	FY 2003 Total Appr	FY 2004 Request	FY 2004 Gov Rec	FY 2004 Approp
BY FUND SOURCE						
General	0	0	0	0	0	242,891,300
Dedicated	0	0	0	0	0	41,700,000
Federal	0	0	0	0	0	5,180,000
Total:	0	0	0	0	0	289,771,300
Percent Change:						
BY EXPENDITURE CLASSIFICATION						
Lump Sum	0	0	0	0	0	289,771,300

DECISION UNIT SUMMARY:	FTP	General	Dedicated	Federal	Total
FY 2003 Original Appropriation	0.00	0	0	0	0
Base Adjustments	0.00	211,986,700	46,221,000	0	258,207,700
FY 2004 Base	0.00	211,986,700	46,221,000	0	258,207,700
Nonstandard Adjustments	0.00	8,571,900	0	0	8,571,900
Fund Shifts	0.00	0	(4,521,000)	0	(4,521,000)
FY 2004 Maintenance (MCO)	0.00	220,558,600	41,700,000	0	262,258,600
3. Discretionary Funds Increase	0.00	10,164,000	0	0	10,164,000
4. Achievement Standards Implementation	0.00	33,700	0	101,000	134,700
5. Technology	0.00	5,000,000	0	0	5,000,000
10. Federal Funds Transfer	0.00	0	0	5,079,000	5,079,000
11. Public Education Stabilization Fund	0.00	7,135,000	0	0	7,135,000
FY 2004 Total Appropriation	0.00	242,891,300	41,700,000	5,180,000	289,771,300
Change From FY 2003 Original Approp.	0.00	242,891,300	41,700,000	5,180,000	289,771,300
% Change From FY 2003 Original Approp.					

APPROPRIATION HIGHLIGHTS: Nonstandard Adjustments include \$1,026,400 for a projected increase of 125 support units, driven by expected enrollment growth, \$4,087,000 for increased Property Tax Replacement costs, and \$3,458,500 for increased pupil transportation costs. The endowment fund shift is not separately funded. These dollars were instead added to the discretionary funds enhancement. There are five funded enhancements. The first provides \$10,164,000 from the General Fund for school district discretionary funds. When added to the discretionary funds already in the base, this is the amount necessary to maintain total state and equalized discretionary funding at the same \$24,447 per support unit as was funded in FY 2003. The second funded enhancement provides \$33,700 from the General Fund and \$101,000 from federal funds to pay for centralized training efforts in the third and final phase of Achievement Standards implementation. The third enhancement provides \$5,000,000 in one-time technology funding for public schools, bringing total state technology funds to \$8,400,000, the same as was appropriated in FY 2003. The fourth enhancement reflects the share of federal pass-through funds, transferred to this budget from the Superintendent of Public Instruction's budget, that is attributable to operations. The fifth enhancement provides \$7,135,000 for the Public Education Stabilization Fund. This fund, the workings of which are set forth in the bill, can be utilized to meet the public schools share of a General Fund budget reduction, cover unanticipated statutory cost increases not covered by the public schools budget, or make up for any shortfall in endowment funds.

Sections 8, 12, 13, and 14 of H463 establish the workings of the Public Education Stabilization Fund in Idaho Code. Section 9 and 10 amend Idaho Code to place a cap of \$75 million on the amount that the state will annually provide for Property Tax Replacement. The FY 2004 budget was based on an estimated cost of \$73,022,700 for this line item. Sections 11 and 18 attempt to control the rising state cost of pupil transportation by limiting the amount of state transportation aid that will be provided for school districts with inefficient systems, and limiting state reimbursements for bus purchase costs to the cost of the "basic bus", plus safety equipment and handicap accessibility features. School districts with uniquely difficult geographic circumstances or one-time costs outside the districts foresight and control can appeal the application of the transportation aid cap to the State Board of Education. H467 delays the implementation of the above transportation amendments until FY 2005.

LEGISLATIVE INTENT: Section 15 of H463 clarifies that it was and remains legislative intent that certain amendments approved by the 2001 Legislature be applied to the allocation of endowment losses for FY 2001. It is estimated that this re-allocation will spare public schools a further \$9 million in endowment cash shortfalls in July 2003.

FY 2004 APPROPRIATION:	FTP	Pers. Cost	Oper Exp	Cap Out	T/B Pymnts	Lump Sum	Total
G 0001-00 General	0.00	0	0	0	0	230,722,600	230,722,600
OT G 0001-00 General	0.00	0	0	0	0	12,168,700	12,168,700
D 0481-01 Public School Income	0.00	0	0	0	0	41,700,000	41,700,000
F 0348-00 Federal Grant	0.00	0	0	0	0	5,079,000	5,079,000
OT F 0348-00 Federal Grant	0.00	0	0	0	0	101,000	101,000
Totals:	0.00	0	0	0	0	289,771,300	289,771,300